

Iowa Medicaid Health Information Technology Activities

As part of the American Recovery and Reinvestment Act of 2009 (Recovery Act), the States were given major opportunities to improve the nation's health care through health information technology (HIT) by promoting the meaningful uses of electronic health records (EHR) via incentives. For Medicaid programs, there are two main components:

1. Federal 'incentive grants' to Medicaid providers to encourage adoption and use of EHRs, administered by the State Medicaid Program.
2. 90% federal matching funds for administrative/statewide initiatives the promote the adoption and use of HIT. As part of this component, State Medicaid programs are required to develop an HIT plan for Medicaid, which is due in March 2010.

Recent announcement of approval of federal funds for Iowa:

Iowa Medicaid submitted to CMS a planning document in order to receive federal matching funds for planning activities necessary to implement the electronic health record (EHR) incentive program established by the Recovery Act. Iowa Medicaid recently received approval from CMS, this approval was announced by CMS in a press release on November 23, 2009.

Iowa Medicaid is currently in the planning process which includes:

- Making sure providers are aware of the incentives
- Defining a methodology for determining patient volume
- Identifying how meaningful use will be determined for continuing incentive payments
- Developing a process to manage the payment to the providers
- Identifying barriers to using EHRs
- Creating a State Medicaid HIT Plan, which will define the state's vision for its long-term HIT use (due March 2009)
- Identifying gaps of providers who are not eligible and understand needs and barriers to implementing EHRs

The approval provides 90% federal matching funds to provide resources to perform the planning functions listed above. The approval provides approximately \$1.2 million in federal matching funds. The 10% state match has been set aside in the Medicaid budget for FY 2010.

Medicaid will be distributing incentive payments to eligible professionals as noted above in 2011. At present, Medicaid is currently in the planning phase and providers will soon receive a survey to identify which Medicaid providers are interested and eligible for the incentive payments. The planning process will determine the funding needs for the 10% state match for FY 2011.

Iowa Medicaid is represented on the Iowa Department of Public Health Electronic Health Records Task Force and has been coordinating closely with the Department of Public Health (as Iowa's lead HIT agency). We intend to work closely with the taskforce and DPH in designing Medicaid programs and plans.

More detail on the provider Incentive Grants is listed below.

Provider Incentive Grants:

CMS has established the rules for the type of providers that can receive incentives, the amount of the incentives, and the Medicaid patient volume a provider must have to qualify.

The certain classes of Medical professionals and hospitals who are eligible for Medicaid incentive payments to encourage the adoption and use of certified Electronic Health Record (EHR) technology include:

- Physicians
- Dentists
- Certified Nurse-Midwives
- Nurse Practitioners
- Physician Assistants who are practicing in Federally Qualified Health Centers (FQHCs) or Rural Health Clinics (RHCs) led by a physician assistant.

Eligible professionals must meet minimum Medicaid patient volume percentages, and must waive rights to duplicative Medicare HER incentive payments.

Incentive Payments for Adoption and Meaningful Use of Certified EHR

- ▶ Non hospital-based professional who has at least 30% of the professional's patient volume attributable to individuals who are receiving medical assistance under this title.
- ▶ Non hospital-based pediatrician who has at least 20% of the professional's patient volume attributable to individuals who are receiving medical assistance under this title.
- ▶ An eligible professional who practices predominately in a Federally-qualified health center or rural health clinic and has at least 30% of the professionals patient volume attributal to needy individuals.
- ▶ Acute care hospitals with at least 10% Medicaid patient volume
- ▶ Children's hospitals (no Medicaid patient volume requirement).

Relationship between Medicaid and Medicare EHR Incentives

- ▶ Eligible professionals can only receive either Medicare or Medicaid Incentive , not both.
- ▶ Hospitals that qualify for the Medicare and Medicaid incentive can receive both.
- ▶ State responsibilities include validating eligible professionals, verifying certified EHR technology, validating and tracking "meaningful use", making provider payments, and conducting audits.
- ▶ CMS 90/10 funding can be used for administering the incentive payments including tracking, conducting adequate oversight, attestations, and reporting.

For a copy of the full bill, go to:

<http://www.hhs.gov/recovery/overview/index.html>

The statute does not define a date for the Medicaid incentives program. Given the range of regulatory and planning activities that must precede States being able to make provider incentive payments, as well as the importance of coordinating Medicaid and Medicare payments to prevent duplication, CMS does not expect States will be able to make such payments until 2011. CMS intends to publish proposed regulations by the end of the year